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18 September 1950

MEMORANDUM

TO : Contracting Officer, Special Support Staff
FROM : Finance Division, SSS
SUBJECT: Contracts for Employment Entered into by Chiefs of Overseas Station.

1. Present regulations permit a Chief of an overseas station to enter into an employment contract with indigenous personnel provided these services are required by the duties at hand. It has been noted that this type of employment has been extended to include U.S. citizens who for various reasons may not enter on duty as Staff Employees. The most common type would be the wife of an employee at a small station located in a country at present on unfriendly terms with the U.S. Also included in this group, however, are U.S. citizens who have married foreign nationals; also relatives of Staff Employees who, for reasons unknown to the writer, have been employed as contract personnel rather than Staff personnel. The duties performed, as near as can be determined, are of a clerical nature and are accomplished in the office of the overseas installations along with the Staff Employees who have been hired in the U.S. This, in itself, may be of little significance, however, the terms of the agreement under which the locally hired personnel are performing could present a very serious problem from the standpoint of morale and expense. For instance, if a locally hired individual's contract provides for privileges over and above those available to the Staff Employee such advantages may become more costly to the Agency as well as causing descension at the station on the part of Staff Employees.

2. When an influx of these contracts was noted by the Finance Division they were routed to the Employees Division to ascertain if they were in accordance with established procedures regarding the hiring of individuals in the field. These contracts were returned with a notation to the effect that the Employees Division was not concerned with that type of employment and after insistence on the part of the Finance Division that they be advised if employment was in accordance with established procedure one such contract was returned with a notation from the EMP/OSO to the effect that the Employees Division had no jurisdiction over contract employment in the field but that the function was that of OSO alone. It was not specified as to what review would be given these contracts by OSO so it was assumed by the Finance Division that the Chief of Station had the power to enter into contracts locally at his own terms provided, of course, that the terms were in accordance with established OSO procedures.

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3. Your attention is invited to the attached contract with [REDACTED] entered into by the Chief of Station, [REDACTED] and to the attached dis-

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patch [REDACTED] dated 1 September 1950 which calls attention to the clause in the contract providing for leave in the U.S. at the end of one year of service. [REDACTED] is the son of [REDACTED] an employee of the [REDACTED] Station. It appears that the terms of the contract provide for home leave at the end of one year of service whereas the Staff Employees of OSO are normally required to serve two years overseas before such benefit accrues. Further, it appears from paragraph 3. of the attached dispatch that [REDACTED] requests TDY in Washington to discuss future employment. It is believed well to point out that travel is directed by the Government for the convenience of the Government and is not requested by the employee for his own convenience. Still other questions arise from this contract, i.e., will the Government pay for travel expenses to Wisconsin or merely to the port of debarkation in the U.S.? Is the equipment mentioned in [REDACTED] personal equipment of [REDACTED] If so, the contract does not provide for shipment at Government expense.

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4. While the immediate purposes of this memorandum requires a decision in the case of [REDACTED] the problem of review of such contracts is one that will confront us in the future. It is for this reason that the writer would like a decision as to who has the power to decide what benefits are to be included in a field contract and whether these contracts are to be reviewed in Headquarters and by whom? Further, are there any objections to a contract stipulating benefits to the contractee equivalent to those available to Staff Employees, i.e., leave, retirement, travel, and transportation at Government expense?

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